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June 27, 1996

VIA MESSENGER

William F. Caton

Acting Secretary

Federal Communications Commission

1919 M St., N.W.

Washington D.C. 20554

RECEIVED

JUN 27 1996

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Re: CC Docket No. 96-128

Notice of Ex Parte Communication

Dear Mr. Caton:

On Wednesday, June 26, 1996, Howard Segermark, Executive Director of the International Telecard Association, Michael Specht, Blumenfeld & Cohen Senior Engineer and the undersigned counsel met with Michael Carowitz of the Commission's Common Carrier Bureau Enforcement Division to discuss telecard matters related to the Commission's proposals in CC Docket No. 96-128. A handout providing an overview of telecards was distributed.

Pursuant to Section 1.1206 of the Commission's Rules, two copies of this letter are enclosed for filing. Please contact me should you have any questions in regard to this matter.

Sincerely,

*Glenn B. Manishin* /MS  
Glenn B. Manishin

Enclosure

cc (w/encl): Michael Carowitz

2 of 2 Copies filed  
JUN 28 1996

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# PHONE CARDS ARE THE FASTEST GROWING SEGMENT OF THE TELECOMMUNICATIONS INDUSTRY.

Phone cards are convenient and less expensive than other methods of calling away from your home or office. Yet, you still may have questions about them. Read on for answers, and a whole new world of long distance calling.

# What are phone cards?

Phone cards are prepaid telephone calling cards. They allow you to call anyone from almost any phone without the hassle of carrying coins or paying high credit card access fees.

# Where did they come from?

In 1976, the first prepaid phone cards were introduced in Europe. Europeans, who traveled in neighboring countries watched the prices for phone calls and everything else constantly rising, found carrying coins cumbersome. Prepaid phone cards, or telecards, became a convenient alternative.

Telecards were introduced in the US in 1993 and have become very popular because they are easy to use, inexpensive and attractive.

# Are they the same as my calling card?

Calling cards are credit cards. You promise to pay for your calls and you are sent a bill.

Prepaid phone cards are different. They represent phone time you have paid for in advance, so you won't ever get a bill. And, telecards offer much more than any calling card.

# Do all phone cards work and look the same?

No. Some cards store your phone time right on your card. With other cards, your phone time is kept for you by

a computer at a remote location.

The stored value cards sometimes have a computer chip, or a magnetic or optical strip that fits into machines which read them.

Other remote memory cards have printed their access number and your personal identification number (PIN) right on the back of the card for easy reference.

And unlike credit cards, telecards can look like anything: race cars, movie stars, jumbo puzzles or a plain front. They can dazzle you with a blaze of color. Some are even made with precious metal. Prepaid phone cards are always unique.

# Why do people use prepaid cards?

**Savings.** No matter how far away you are from the person you are calling, you will usually pay the same price-per-minute when you use your telecard. While calls during peak calling hours may cost more than calls at other times, prepaid calling cards almost never add a surcharge to any of your calls. Credit calling cards virtually always charge, and those extra fees can double or triple the cost of your calls.

**Convenience.** When you are away from your own business or home phone, a phone card provides a convenient way to make a long distance call from another person's phone without charging that person for the call.

**Security.** If you lose a prepaid card, the amount of your loss is limited to the value of the card. If you lose your credit calling card, you are subject to unlimited expenses until your card is canceled.

## Where can I buy prepaid calling cards?

Almost anywhere. Supermarkets, drug and convenience stores, gas stations, and check cashing stores all sell prepaid phone cards. A growing number of national discount stores are selling telecards, along with the rising number of retail dealers.

Many phone cards are packaged with other products, or they are given away free to grab your attention about the value and convenience of prepaid phone cards.

Most of the major American long distance and regional phone companies sell telecards. Other phone companies offer cards and specialize their services to meet the needs of people who want prepaid card services.

## How do I use a telecard?

It's simple!

**First.** Dial the toll-free access number printed on the back of your card.

**Second.** Enter the personal identification number (PIN) printed on the back of your card.

**Third.** Dial the number of the person you want to call.

**That's it!**

- ▶ Even though the process is very easy, most phone cards give you voice prompts at each step.
- ▶ Some companies will cover your PIN with a scratch-off material to protect your card until you are ready to use it.
- ▶ Those voice prompts also tell you how much time you have remaining on your card if you are about to run out of phone time, and how to use other features offered by your telecard

## What else can I do with my telecard?

Plenty. If you are running out of time with your prepaid phone card, you often can buy more time, or recharge your card, over the phone just by entering the amount of time you want to buy and your credit card number.

Some cards offer special added services like updates on stocks, sporting events or specially tailored information on everything from political candidate messages to updates on the survival rates of endangered species.

And a growing number of people collect telecards because of their interesting designs, shapes and vibrant colors

## What if my card doesn't work?

Check the back of your telecard. A customer service number should be printed there.

You may have used all of the time remaining on your card and you will need to buy a new card or recharge your old card.

Some cards may expire after a certain date. If your card expires, the date of expiration should be printed on the back to remind you.

If you have considered those options and still have trouble, the prepaid phone card industry's trade association, The International Telecard Association, offers a toll-free Consumer Hotline: 1 800 333 3513.

# ***International Telecard Association Ombudsman Hotline***

## **What is the International Telecard Association Ombudsman Hotline?**

It is the toll-free telephone number prepaid phone card users can call if they have trouble with or questions about their telecard.

It is also the toll-free number card users and consumers can call for more information about the industry and the International Telecard Association.

## **How does the International Telecard Association handle a caller's request?**

If the caller is having trouble with or has questions about his or her prepaid phone card, we explain that we will try to help them. We ask the caller questions about the card, and try to lead the caller through the process so we and the caller both discover any mistakes executing the card's instructions.

We handle other situations using our network of members and our database so we can satisfy the callers. The International Telecard Association has not, is not and can not be in a position at the moment to guarantee successful restoration of card services to any caller.

If a caller asks for information about the industry or the association, we ask each caller what his or her areas of interest are, and mail all materials first class, fax the materials, or email them.

The International Telecard Association is always trying to deliver information to consumers and card users quickly in an effort to demonstrate our commitment to prepaid phone card users and consumers.

## **What is the number?**

The Ombudsman Hotline number is 1 800 333-3513.

## **When is the number available?**

The hotline number generally operates from 9a.m. to 5p.m. Monday through Friday. It is closed on holidays.